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Prime Minister's schedule, January 8

NIHON KEIZAI (Page 2) (Full) January 9, 2007

Morning

Stayed at his private residence in Tomigaya.

13:39

Went to the fitness club at Park Hyatt Tokyo.

16:44

Arrived at his private residence.

19:30

Arrived at residence in Kantei.

4) Yamasaki to visit N. Korea today

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MAINICHI (Page 5) (Full) January 9, 2007

Taku Yamasaki, former vice president of the ruling Liberal Democratic Party, arrived yesterday in Beijing, China, on a Chinese plane from Narita Airport. Yamasaki is expected to visit Pyongyang, North Korea, today. Ryotaro Tanose, senior vice secretary general of the party, will accompany Yamasaki to Pyongyang. During his stay in Pyongyang, Yamasaki will meet with North Korean officials and would like to grope for a clue to resolve pending bilateral issues, such as the issue of Japanese nationals abducted to North Korea.

According to informed sources, Yamasaki will meet with Chinese Vice Foreign Minister Wu Dawei this morning to exchange views about North Korea. After that, Yamasaki will head for Pyongyang, the sources say. Yamasaki plans to stay in North Korea for 4-5 days to meet with North Korean officials, he told the Mainichi Shimbun before leaving Japan. Tanose pointed to the lack of dialogue in Japan's policy toward North Korea. "So," he added, "we'd like to make up for that."

5) Chinese president plays Japan-visit card effectively: Aim may be to contain Yasukuni Shrine visit by Abe

NIHON KEIZAI (Page 2) (Excerpts) January 9, 2007

Beijing, Takeshi Kumon

Chinese President Hu Jintao indicated his desire to visit Japan at an early date, but he did not touch on a specific timeframe. This is presumably because he is aiming at probing Prime Minister Shinzo Abe's stance toward improving relations between Japan and China. Hu's refraining from mentioning any specific timeframe for his possible Japan visit also glimpsed his motive to contain the prime minister's visit to Yasukuni Shrine using a Japan-visit card in an effective manner. Though Abe's visit to China last October marked the first step in resuming exchanges of the leaders of the two countries, Hu's response epitomizes the current situation where there still remains the thorny Yasukuni Shrine issue between the two countries. Hu noted to New Komeito head Akihiro Ota, "Please convey to Prime Minister Abe that I will be happy to accept his invitation to visit Japan." The meeting between Hu and Ota was enveloped in an amicable and relaxed atmosphere all the way to the end. Hu did not directly refer to the Yasukuni issue. He instead gave high scores to the prime minister's visit to China last October, noting, meeting wound up successfully, overcoming political obstacles. We have thus resumed high-level talks." However, he did not give any assurance about a timeline for his own visit to Japan to the end.

Yasukuni Shrine enshrines Class-A war criminals along with the war

dead. China's opposition to former Prime Minister Junichiro Koizumi's visits to Yasukuni Shrine, which took place six times, has chilled bilateral relations to this extent. Abe is taking an ambiguous strategy toward his own visit to Yasukuni, saying, "I will not reveal whether I had visited it or not." However, the Chinese side is hardly satisfied with such an explanation.

6) Main points of talks between New Komeito head Ota and Chinese President Hu Jintao

YOMIURI (Page 21) (Full)

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January 9, 2007

Shozo Nakayama, Beijing

Japan-China relations

New Komeito Representative Ota: Nearly 100 days have passed since the Abe cabinet came into being. The most important matter during that time was to improve relations with China. Prime Minister Abe is pleased to see his recent visit to China appreciated. The prime minister has a strong desire to mend relations with China. He hopes President Hu will visit Japan as soon as possible. He will be happy if you visit Japan, for instance, in June.

President Hu: Improvement and progress in Japan-China relations will lead to bringing peace, stability, and development to Asia and the rest of the world. I accept your invitation with great pleasure. I'd like to visit Japan at a time convenient to both sides.

North Korea

Ota: The abduction issue is an important issue for Japan. We hope to see the issue put on the negotiating table in the six-party talks. We ask for China's cooperation for that. If that were realized, a dramatic shift in the Japanese public's sentiment toward China would arise.

Hu: I hope to have good communication with Japan and play a constructive role. I understand the abduction issue is a matter of concern for the Japanese people.

7) Prime Minister Abe, Foreign Minister Aso to leave for Europe today, with the aim of expanding exchanges with NATO

NIHON KEIZAI (Page 2) (Full) January 9, 2007

Prime Minister Shinzo Abe and Foreign Minister Taro Aso will travel to Europe starting today. Abe will visit such major European Union members as Britain, France, and Germany, while Aso will visit Romania, Bulgaria, Hungary, and Slovakia. The purposes of their visits are to boost international cooperation on the North Korean issue, as well as to expand exchanges to the North Atlantic Treaty Organization (NATO).

Abe is scheduled to deliver a speech as the first Japanese prime minister at the NATO board of directors meeting on Jan. 12, in which he will appeal on the need to bolster relations (with NATO) by means of, for instance, disaster reconstruction and antiterrorism measures. Japan has built a cooperative relationship via its Maritime Self-Defense Force's refueling activities in the Indian Ocean with NATO. NATO, too, is moving to step up relations with Japan and Australia. By upgrading the current senior working-level talks and political dialogue with NATO to periodic ones, Japan intends to intensify such talks.

The countries in Eastern Europe Aso plans to travel to are cooperative toward the war on terrorism led by the US. Aso pays special attention to Slovakia, which serves as the chair of the Visegrad Agreement (VA) with Poland, Czech Republic, and Hungary, and which also serves as a nonpermanent member of the United Nations Security Council. By increasing relations with them, Aso intends to

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further surround North Korea, and also he apparently aims to counter China and Russia, which are looking for opportunities to expand their influence over Eastern Europe.

8) Government considering new proposal for six new UNSC seats: Aim is to secure US support with stricter conditions

YOMIURI (Page 1) (Slightly Abridged) January 6, 2007

The Japanese government is now considering a new proposal for a resolution for reform of the United Nations Security Council (UNSC). According to the outline of the unveiled draft, a proposed increase in the number of seats at UNSC, now 15, should be constrained at around six. The draft also proposed that (1) nations that bid for a permanent seat should have a certain track record in shouldering UN expenses; and that (2) obtaining a permanent seat should require support from more than two-thirds of UN member nations. The draft thus features stricter conditions for entry into the UNSC. The aim is to obtain support from the US, which is cautious about the idea of expanding the number of UNSC member nations.

The government wants to start coordinating views this month with Germany, India and Brazil, members of the Group 4, which aims at securing permanent seats along with Japan. It then intends to sound out the views of related countries so that the issue can be taken up at a session to discuss UN reform at the African Union summit to be held in Ethiopia at the end of the month. The government aims at submitting the draft resolution to the UN after obtaining approval from various countries by the end of July.

The new resolution requires candidate countries to meet with a certain set record of shouldering UN expenses as well as to obtain recommendations from 15-20 countries. African countries are expected to oppose the idea of making a track record for shouldering UN expenses a condition.

The draft will also include a clause of disqualifying a country that failed to obtain approval from more than two-thirds of the UN member nations in a vote, even if it obtained an agreement for it to become a permanent member. Newly elected permanent members would not be awarded the veto rights given to the US, Britain, China, France and Russia. Of the six seats to be created, two to three members would be given permanent membership. Three to four countries would be allowed into the UNSC as non-permanent members. These seats would be allocated either to Asia, Africa, Latin America and Europe (including East Europe) or only three of those four regions.

9) Japan-US Security Consultative Committee to release joint statement emphasizing "strengthening ties with NATO"

MAINICHI (Page 8) (Full) January 8, 2007

Nobutake Yamashita

The Japanese and US governments are now undertaking coordination in order to release a joint statement declaring the stepping up of relations with such organizations as the North Atlantic Treaty Organization (NATO) during the Japan-US Security Consultative Committee (2+2) of the foreign and defense ministers expected to take place possibly late this month. Behind this move was the United

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States' strong request. Supposedly, the aim is to facilitate the spread of the ballistic missile defense (MD) system, but some in the Defense Agency (JDA) are concerned about deepening ties with military alliances.

According to an official concerned, the US, in the process of giving

shape to a joint statement, insisted on mentioning in the joint statement the bolstering of relations with NATO and such countries as Australia and New Zealand that the US thinks share the common values. Japan accepted this request. The statement is also expected to incorporate a mention of the need for a steady implementation of the realignment plans for the US forces in Japan.

During the NATO summit meeting in late November, the US proposed stepping up cooperation with non-NATO members, such as Japan, South Korea, and Australia. America's aim in this regard is presumably to facilitate the introduction of the MD system now jointly developed by Japan and the US into Europe and the Pacific region.

Tokyo is positive about bolstering ties with NATO and Australia. Prime Minister Shinzo Abe is scheduled to deliver a speech at the NATO headquarters in Brussels on Jan. 12. A senior Foreign Ministry official explained that by strengthening ties with countries sharing such universal values as freedom and democracy, "Japan can boost its diplomatic capability."

However, given that Afghanistan, where NATO has played a leading part in bringing peace to that country, remains in the worsened security situation, if Japan strengthens relations with NATO, Tokyo may be asked to provide more of assistance to the NATO-led International Security Assistance Force (ISAF) in Afghanistan by means of, for instance, ground troop dispatches and financial aid.

The Foreign Ministry stresses the need to "step up cooperation within the bounds of the Constitution" through such contributions as rescue operations in international disasters. On the other hand, a senior JDA official stated, "The move to strengthen relations is a matter we should welcome, but we need to carefully discuss what we will implement exactly."

Coordination is underway between Tokyo and Washington to hold the 2 \pm 2 meeting on Jan 22 or 23.

10) Aso, Shiozaki reject JDA chief Kuma's remark about "review of the V-shaped runway plan"

SANKEI (Page 2) (Full) January 6, 2007

Defense Agency Director-General Fumio Kyuma indicated that he did not dwell on the plan for the construction of V-shaped airstrips as agreed on the Japanese and US governments regarding the relocation of the US Marines' Futenma Air Station (in Ginowan City, Okinawa) to a coastal area of Camp Schwab (in Nago City). But Foreign Minister Aso and Chief Cabinet Secretary Yasuhisa Shiozaki during their respective press conferences on Jan. 5 stressed that the construction would be pushed forward as agreed on by both Japan and the US.

Kyuma told reporters in Bangkok on Jan 3, where he was visiting: "It's acceptable even to construct one runway. Any plan the three parties (the central government, local governments, and the US

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government) can agree on is fine." This remark is apparently intended to obtain understanding of Okinawa Gov. Hirokazu Nakaima, who remains unwilling to accept the current construction plan.

Aso, however, rejected that remark, saying: "Our basic policy is to do things along the direction decided at the 2+2 (Japan-US Security Consultative Committee) meeting (held in last May)." Following Aso, Shiozaki also stated: "The plan agreed on by Japan and the US is the basis of our policy. No shift will be made."

11) Senior US official will not accept changes in Futenma relocation plan, backs V-shaped runway

ASAHI (Page 3) (Full) January 7, 2007

By Yoichi Kato in Washington, DC

In an interview with the Asahi Shimbun Jan. 5, John Hill, senior director for East Asia at the US Defense Department, expressed his view about Defense Agency (JDA) Director General Fumio Kyuma's wanting to change a portion of the plan to relocate Futenma Air Station in Okinawa to Henoko Point in Nago City. He stressed the US intention of holding fast to the current plan, noting, "The Japanese government guaranteed that the current plan could be implemented. The US government's position is to carry out this plan as agreed with Japan."

Hill also commented on Kyuma's thinking of moving the runway, which under the current plan is V-shaped, to shallow waters offshore, and making it into a single runway: "Although there was a single runway planned in the agreement reached in Oct. 2005 (interim report), it became V-shaped due to concerns about noise from local residents." He took the view that this would be a stumbling block.

In addition, Hill pointed out: "The reason why the Futenma relocation, originally agreed to in 1996, has still not been carried out, even though 10 years have passed, has been because (the Japanese side) keeps trying to renegotiate to change the plan." He indicated that the US did not intend to make any more changes.

In Okinawa Prefecture, Governor Hirokazu Nakaima and other officials are opposed to the current plan, but Hill insisted: "The Japanese government, our negotiating partner, clearly stated that this plan could be implemented. I think that local coordination is already finished."

Regarding a 2 plus 2 meeting of foreign and defense ministers of Japan and the US, regarding which coordination had been taking place for a mid-January date, Hill said: "There has been a change in our Iraq policy and personnel shifts, so I think such would be difficult for the next month or two." He revealed the outlook that a postponement was most likely.

12) US Air Force deploys new unit to Yokota airbase

MAINICHI (Page 23) (Full) January 6, 2007

The US Air Force's 13th Air Force, headquartered in Hawaii, held a ceremony yesterday at the US Yokota Air Base in Tokyo for its first deployment of a unit to Yokota. In addition to the 5th Air Force

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currently based at Yokota, the 13th Air Force will also strengthen its relations with the Air Self-Defense Force and consolidate its readiness for air defense in areas surrounding Japan. Yokota will step up its military functions.

The newly deployed unit is the 1st Detachment, which is made up of about 50 military personnel from the 13th Air Force and is commanded by Col. Michael MacWilliam. The detachment will coordinate airborne operations in Japanese airspace with the 5th Air Force, 613th Air and Space Operations Center, and Air Self-Defense Force.

The ceremony was held at the Yokota airbase with about 100 attending. Lt. Gen. Chip Utterback, commander of the 13th Air Force, handed a new flag to Col. MacWilliam. In his press remarks after the ceremony, Lt. Gen. Utterback underscored the significance of the newly deployed detachment to Yokota as "very important" to fulfill its mission for Japan's national security, adding that the detachment's establishment at Yokota would make it possible to make very close and fine-grained decision even in the case where a decision is needed in a short time for air operations.

"We can say it's the first step to making a strongpoint for missile defense between Japan and the United States," says Yoichi Endo, a member of Fussa City's municipal assembly, who represents RIMPEACE, a group of local assembly members watching US military bases in Japan. "The base will be built up for its permanent presence, and there's no doubt that it will be even more dangerous (to local communities in the vicinity of the Yokota base)," Endo added.

13) Ishihara unveils plan to produce Tokyo disaster prevention plan specifying cooperation with USFJ in time of disaster

NIHON KEIZAI (Page 35) (Full) January 6, 2007

The Tokyo metropolitan government has decided to draw up a local disaster prevention plan specifying the role of US Forces Japan, Gov. Shintaro Ishihara said in an interview with the Nihon Keizai Shimbun on Jan. 5. The metropolitan government envisions the mobilization of US military aircraft and ships in transporting supplies and workers unable to get home from work in time of a disaster.

The Basic Law on Natural Disasters, which requires each local area to produce a disaster prevention plan, also prescribes the functions of administrative organizations. Ishihara categorically said: "An army is not only for war. (US Forces Japan) has mobility, and that is too good to pass up."

US Forces Japan took part for the first time in Tokyo's disaster drill last September. In the drill, a US military helicopter airlifted medical supplies from Yokota Air Base to central Tokyo and a frigate transported hypothetical disaster victims from Tokyo Bay to Yokosuka, Kanagawa Prefecture. A South Korean rescue team was also invited to the drill.

Based on such a drill, the metropolitan government will incorporate in its disaster prevention plan requests for assistance by foreign troops in addition to the role of USFJ. According to the Fire and Disaster Management Agency, neither the role of USFJ nor requests for foreign troops has ever been specified in any local disaster prevention plans.

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The metropolitan government began reviewing its disaster prevention plan last March following the revised projection of damage from a major earthquake in Tokyo. The metropolitan government intends to finish drafting a plan within FY2006 for approval in May by the disaster prevention council.

14) US asks Japan for technical, fiscal cooperation on missile defense using lasers

NIHON KEIZAI (Page 1) (Abridged) January 9, 2007

The United States has asked Japan for technological cooperation on a missile defense system designed to intercept ballistic missiles in the boost phase, sources have revealed. The system's concept is to destroy enemy ballistic missiles in the boost phase with laser beams from aircraft. The US government is expecting Japan to transfer its private sector's technology and extend fiscal assistance. The Japanese government is studying a framework for cooperation. However, there are also many challenges, such as technical feasibility and financial resources.

According to Japanese officials, the United States has selected three types of lasers that can destroy ballistic missiles. "The United States wants to deploy them in five years," says one of the Japanese government. The system needs to be miniaturized, and the US government has asked for technical cooperation while citing Mitsubishi Heavy Industries and several other corporations.

The Japanese government has been withholding its answer since it wants to ascertain the trends of those named companies. The government will shortly tap them. In the case of extending cooperation, the government will envision concluding a memorandum of understanding (MOU) that determines how to use transferred technologies.

15) LDP drafts basic space legislation enabling country to develop spy satellites for defense purposes

MAINICHI (Page 2) (Excerpts) January 8, 2007

The Liberal Democratic Party has drafted legislation tentatively called the Basic Space Law. The legislation is chiefly designed to open space development for defense purposes, reviewing the 1969 Diet resolution limiting space development to nonmilitary peaceful purposes. This will enable Japan to develop and launch state-of-the-art military reconnaissance satellites. The LDP plans to submit it to the next regular Diet session as lawmaker-initiated legislation after undertaking coordination with the New Komeito.

The draft legislation notes in its basic vision that space must be developed and used in a way to contribute to the peace and security of the international community and Japan. The legislation also calls for the country's independent efforts for developing technology, noting, "Measures must be implemented in order to promote space development contributing to the security of Japan."

16) Poll: 40% would like LDP to win, 38% favor DPJ in upper house election

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MAINICHI (Page 1) (Abridged) January 6, 2007

The Mainichi Shimbun found from its telephone-based nationwide public opinion survey conducted in December last year that 40% of the public would like the ruling Liberal Democratic Party to win, almost even with those 38% who would like the opposition Democratic Party of Japan (Minshuto) to win this summer's election for the House of Councilors. "Other political parties" accounted for 14%. In the survey, respondents were also asked which political party they supported. In response to this question, 31% picked the LDP, while 17% preferred the DPJ. These figures indicate that non-DPJ supporters also have expectations for the DPJ against the LDP.

Respondents were also asked whether they were interested in the upcoming election for the House of Councilors. In response, "yes" totaled about 70%, broken down into those "very interested" at 20% and "somewhat interested" at 51%. Meanwhile, 22% said they were "not very interested," with 5% saying they were "not interested at all."

Respondents were further asked what they would consider first when voting. In response, 56% picked "policy," topping all other answers. Among other answers, "personal character" ranked second with 14%, "each candidate's political party" with 11%, "career, actual results" with 8%, and "image" with 4%.

17) NPO application screening: Agriculture Minister Matsuoka admits to having made inquiry; Cabinet Office's document records the fact; His claim, "I have nothing to do with the matter," found to be a lie

AKAHATA (Page 1) (Full) January 6, 2007

Fukuoka Prefectural Police searched FAC, a capital management consulting company located in Fukuoka City, on suspicion of violating the Investment Law. In this connection, it was learned on Jan. 5 that the police confiscated a Cabinet Office document noting that a secretary to Agriculture, Forestry and Fisheries Minister Toshikatsu Matsuoka inquired about the situation of the screening of the application for NPO status by WBEF, an organization affiliated with FAC. Matsuoka on Jan. 5 admitted in effect to having made the inquiry, disconfirming his explanation that he himself and his office had nothing to do with WBEF.

According to a related source, the document, issued March 28, 2006, reportedly noted that a person who claimed himself as a secretary of Matsuoka's office on March 13 asked the Cabinet Office about the situation of the screening of the application by WBEF. An official in charge of the matter replied, "The application is now being

screened." The secretary told this Cabinet Office official, "Please see to the matter."

It had already been found that WBEF purchased tickets for Matsuoka's fund-raising party tickets worth 1 million yen in December 2005, but Matsuoka failed to include the fact in his income and expenditures report on political funds.

Matsuoka told a news conference last September, "My supporter asked WBEF to purchase the party tickets." He also stressed, "I am not acquainted with WBEF. I have never been asked by them to do something for them, either."

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He during a press briefing after a cabinet meeting on Jan. 5 admitted to having inquired about the matter in question, noting, "According to one of my supporters who is acquainted with WBEF, the company has had my office check procedures for its establishment. My understanding is, therefore, such an inquiry might have been made." He added, "Our office has just asked about a screening schedule. There is no such fact that we worked on or solicited a favor on the matter."

Tatsuo Nishi, Quality of Life Bureau director general, said, "I heard that a person who claimed to be a secretary to Mr. Matsuoka's office made a query on the phone, but I did not hear that the call was to ask for or work on a favor."

DONOVAN